

CITY OF COLVILLE  
Stevens County, Washington  
January 1, 1995 Through December 31, 1995

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Schedule Of Findings

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1. The City's Public Works Department Should Make Timely Requests For Reimbursements For Grants

During our audit of the city's grant reporting and cash management, we found that the city's public works department again failed to request grant reimbursements in a timely manner. As part of a state Department of Ecology grant to construct a new sewer system head works, the city was entitled to receive reimbursement for \$109,230 on November 30, 1995. The claim to recover these costs was not submitted until August 20, 1996.

The concept of internal control as defined in the *Budgeting, Accounting, and Reporting System* (BARS) manual, based on criteria established by the U.S. General Accounting Office, states:

An internal control system consists of the plan of organization and methods and procedures adopted by management to ensure that resources use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss and misuse; and that reliable data are obtained, maintained and fairly disclosed in the reports.

The city has no system of management review to ensure that grants are billed in a timely manner.

The city lost nearly nine months of investment income on this money which we estimate to be in excess of \$4,000. Without proper management review and timely reporting, the city will continue to lose revenue from its state and federal grants and loans. A similar problem was noted during the prior audit.

We again recommend that the city establish controls to ensure timely submission of reimbursement requests.